

**MEMO ENDORSED**

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*While the issue of subject matter jurisdiction was revisited at the time, I am satisfied, at present, that the amount in controversy requirement has been satisfied.*

July 26, 2010

**Via Fax: (212) 805-7949**

Honorable Kevin P. Castel  
United States Courthouse  
500 Pearl Street  
New York, New York 10007

Re: **Employers Ins. Co. Of Wausau v. Munich Reinsurance America, Inc.**

Civil Action No.: 10 CV 3558 (KPC)

MCB File No. : 70-81952

Dear Judge Castel:

We represent Employers Insurance Company of Wausau ("Wausau") in the above-referenced matter. Wausau submits this letter reply brief in response to the letter brief submitted by Munich Reinsurance America Inc. ("Munich Re") dated July 19, 2010, and as directed by the Court during the pretrial conference held on June 28, 2010.

Having reviewed Munich Re's July 19, 2010 letter brief on the question of the amount in controversy, it appears to Wausau that the parties are in agreement, both having concluded that the Court possesses subject matter jurisdiction over this action. The parties' comporting positions are based upon case law directing that the Court ought to rely on the amount in dispute in the underlying arbitration to determine the amount in controversy for the purposes of determining whether subject matter jurisdiction exists. In light of the fact that the amount in dispute in the underlying arbitration far exceeds the \$75,000 jurisdictional threshold, the parties agree that the requisite basis exists and that the Court possesses the necessary subject matter jurisdiction to hear this disqualification lawsuit.

*SO ORDERED*  
*[Signature]*  
JSD  
7-30-10

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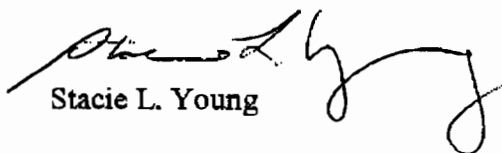
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Hon. P. Kevin Castel  
Wausau v Munich Re – 10 Civ 3558  
July 26, 2010  
Page 2

Absent the Court's direction that the parties are to proceed otherwise, Wausau will continue to fulfill its obligations in this action under the assumption that the Court possesses subject matter jurisdiction.

Respectfully submitted,

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